

The Manager
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street MUMBAI - 400 001
Fax: 022-22722037/39/2041/2061/
3121/1557/1278/3354/3577

The Manager
Listing Department
National Stock Exchange of India Ltd
EXCHANGE PLAZA
Bandra-Kurla Complex
Bandra [E] MUMBAI 400051 Fax : 022 -
26598237 / 238 / 26598347 / 348

प्रिय महोदय/ Dear Sir,

विषय/ Subject: Reviewed Financial Results - 30.06.2014

Ref : Clause No. 41 of the Listing Agreement

The Financial Results of the Bank for the First Quarter ended 30.06.2014 were approved by the Board of Directors at its Meeting of 21.07.2014. A copy of the same is enclosed along with Limited Review Report of the Auditors.

धन्यवाद / Thanking you,

भवदीय/ Yours faithfully,


बी नगेशबाबू / B NAGESH BABU
कंपनी सचिव/ COMPANY SECRETARY

सहाय्य विभाग

अध्यक्ष व प्रबंध निदेशक का सचिवालय

प्रधान कार्यालय

112 1 सी रोड, बंगलूर - 560002

Secretarial Department

C&MD's Secretariat

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REVIEWED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2014

(₹ in Crore)

SL. No	PARTICULARS	QUARTER ENDED			YEAR ENDED
		30.06.2014 (REVIEWED)	31.03.2014 (AUDITED)	30.06.2013 (REVIEWED)	31.03.2014 (AUDITED)
1	INTEREST EARNED (a)+(b)+(c)+(d)	10701.11	10539.68	9269.58	39547.61
	(a) Interest/discount on advances/bills	7904.96	7683.02	6449.84	28457.32
	(b) Income on Investments	2625.01	2597.94	2481.61	10251.08
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	171.14	150.64	338.04	730.82
	(d) Others	0.00	108.08	0.09	108.39
2	Other Income	1026.90	1070.04	1238.30	3932.76
3	TOTAL INCOME (1+2)	11728.01	11609.72	10507.88	43480.37
4	Interest Expended	8271.85	8004.49	7278.48	30603.17
5	Operating Expenses (i)+(ii)	1661.16	1723.13	1331.14	6081.01
	(i) Employees Cost	1038.10	979.24	887.08	3672.38
	(ii) Other Operating Expenses	623.06	743.89	444.06	2408.63
6	TOTAL EXPENSES ((4+5) excluding Provisions & Contingencies)	9933.01	9727.62	8609.62	36684.18
7	Operating Profit before Provisions and Contingencies (3-6)	1795.00	1882.10	1898.26	6796.19
8	Provisions (Other than Tax) and Contingencies	788.14	1091.27	916.19	3733.00
9	Exceptional items	0.00	0.00	0.00	0.00
10	Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	1006.86	790.83	982.07	3063.19
11	Tax expense	200.00	180.00	190.00	625.00
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	806.86	610.83	792.07	2438.19
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00
14	Net Profit (+) / Loss (-) for the period (12-13)	806.86	610.83	792.07	2438.19
15	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	461.26	461.26	443.00	461.26
16	Reserves excluding Revaluation Reserves (As per Balance Sheet of previous				23660.60
17	Analytical Ratios				
	(i) Percentage of shares held by Government of India	69.00%	69.00%	67.72%	69.00%
	(ii) Capital Adequacy Ratio - Basel II	10.68%	11.14%	11.42%	11.14%
	(iii) Capital Adequacy Ratio - Basel III	10.23%	10.63%	11.13%	10.63%
	(iv) Earnings per Share (EPS) (Not Annualised)				
	a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year	17.49	13.65	17.88	54.48
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	17.49	13.65	17.88	54.48
	(v) NPA Ratios				
	(a) Amount of Gross Non Performing Assets	8159.54	7570.21	7328.88	7570.21
	(b) Amount of Net Non Performing Assets	6150.13	5965.46	6209.17	5965.46
	(c) Percentage of Gross Non Performing Assets	2.67%	2.49%	2.91%	2.49%
	(d) Percentage of Net Non Performing Assets	2.03%	1.98%	2.48%	1.98%
	(vi) Return on Assets (Annualised)	0.66%	0.54%	0.75%	0.54%
18	Public shareholding				
	- Number of Shares	143000000	143000000	143000000	143000000
	- Percentage of shareholding	31.00%	31.00%	32.28%	31.00%
19	Promoters and promoter group shareholding				
	a) Pledged / Encumbered				
	- Number of Shares				
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)				
	- Percentage of shares (as a % of the total share capital of the Company)				
	b) Non-encumbered				
	- Number of Shares	318258837	318258837	300000000	318258837
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	69.00%	69.00%	67.72%	69.00%

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SEGMENT REPORTING FOR THE QUARTER ENDED 30.06.2014

Rs. In Crore

BUSINESS SEGMENT		QUARTER ENDED			YEAR ENDED
		30.06.2014	31.03.2014	30.06.2013	31.03.2014
		(REVIEWED)	(AUDITED)	(REVIEWED)	(AUDITED)
(a)	Segment Revenue				
1	Treasury Operations	2733.44	2698.31	3160.23	11079.17
2	Retail Banking Operations	3014.59	3094.88	2359.68	10788.38
3	Wholesale Banking Operations	5781.52	5502.92	4808.50	20806.56
4	Other Banking Operations	0.00	0.00	0.00	0.00
5	Unallocated	198.46	313.61	179.47	806.26
	Total	11728.01	11609.72	10507.88	43480.37
(b)	Segment Results				
1	Treasury Operations	108.36	347.03	510.29	1463.00
2	Retail Banking Operations	521.53	405.06	380.26	1722.43
3	Wholesale Banking Operations	993.04	870.67	874.35	2946.74
4	Other Banking Operations	0.00	0.00	0.00	0.00
	Total	1622.93	1622.76	1764.90	6132.17
(c)	Unallocated Income/Expenses	172.07	259.34	133.36	664.02
(d)	Operating Profit	1795.00	1882.10	1898.26	6796.19
(e)	Provisions and Contingencies	788.14	1091.27	916.19	3733.00
(f)	Income Tax	200.00	180.00	190.00	625.00
(g)	Net Profit	806.86	610.83	792.07	2438.19
(h)	Segment Assets*				
1	Treasury Operations	169262.18	167100.83	168782.94	167100.83
2	Retail Banking Operations	103258.35	99619.98	78392.37	99619.98
3	Wholesale Banking Operations	210405.00	209370.03	176297.34	209370.03
4	Other Banking Operations	0.00	0.00	0.00	0.00
5	Unallocated Assets	12367.60	10332.76	11063.61	10332.76
	Total	495293.13	486423.60	434536.26	486423.60
(i)	Segment Liabilities				
1	Treasury Operations	42364.02	51466.11	22276.78	51466.11
2	Retail Banking Operations	187811.37	183552.33	162330.19	183552.33
3	Wholesale Banking Operations	211521.03	199789.78	204200.42	199789.78
4	Other Banking Operations	0.00	0.00	0.00	0.00
5	Unallocated Liabilities	28919.64	27493.52	22090.35	27493.52
6	Capital and Reserves *	24677.07	24121.86	23638.52	24121.86
	Total	495293.13	486423.60	434536.26	486423.60

(* Excluding Revaluation Reserve)

GEOGRAPHICAL SEGMENT		QUARTER ENDED			YEAR ENDED
		30.06.2014	31.03.2014	30.06.2013	31.03.2014
		(REVIEWED)	(AUDITED)	(REVIEWED)	(AUDITED)
a	Domestic Operations				
	Revenue	11419.01	11328.16	10246.05	42431.73
	Assets	457863.29	449034.29	406567.09	449034.29
b	International Operations				
	Revenue	309.00	281.56	261.83	1048.64
	Assets	37429.84	37389.31	27969.17	37389.31
c	Total				
	Revenue	11728.01	11609.72	10507.88	43480.37
	Assets*	495293.13	486423.60	434536.26	486423.60

(* Excluding Revaluation Reserve)

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PARTICULARS	As on 30.06.2014	As on 30.06.2013	As on 31.03.2014
	(REVIEWED)	(REVIEWED)	(AUDITED)
CAPITAL AND LIABILITIES			
CAPITAL	461.26	443.00	461.26
RESERVES AND SURPLUS	29691.40	25221.04	29158.85
DEPOSITS	428976.16	381971.51	420722.82
BORROWINGS	25735.25	18097.70	27230.64
OTHER LIABILITIES AND PROVISIONS	15904.65	10828.52	14348.28
TOTAL	500768.72	436561.77	491921.85
ASSETS			
CASH & BALANCES WITH RESERVE BANK OF INDIA	19259.88	20967.02	22153.78
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	26799.75	12852.25	22674.93
INVESTMENTS	130305.02	136062.78	126828.25
ADVANCES	302964.06	249891.43	301067.48
FIXED ASSETS	6688.80	2855.79	6641.56
OTHER ASSETS	14751.21	13932.50	12555.85
TOTAL	500768.72	436561.77	491921.85

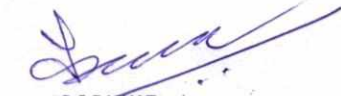
Notes:

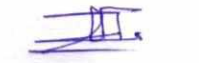
- The above Financial Results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 21st July 2014. The results have been subjected to a 'Limited Review' by the Statutory Central Auditors of the Bank.
- There has been no change in the accounting policies followed during the quarter ended 30th June 2014 as compared to those followed in the preceding financial year ended 31st March 2014.
- The working results for the quarter ended 30th June 2014 have been arrived at after considering provision for Loan Losses, Provision for exposure to entities with Unhedged Foreign Currency Exposure, Provision for Income Tax and Deferred Tax, Depreciation on Investments and Fixed Assets and other necessary provisions.
- In accordance with the RBI Circular No.DBOD.BP.BC.80/21.04.018/2010-11 dated 09.02.2011:
 - a sum of Rs.92.68 Crore has been charged to Profit & Loss Account during the period on proportionate basis towards unamortised liability of Rs.1853.57 Crore (being amortized over 5 years beginning from 31st March 2011) on account of reopening of pension option for existing employees who had not opted for Pension earlier. The balance amount of Rs.278.04 Crore will be dealt with as per the guidelines of Reserve Bank of India.
 - a sum of Rs.33.98 Crore has been charged to Profit & Loss Account during the period on proportionate basis towards unamortised liability of Rs.679.52 Crore (being amortized over 5 years beginning from 31st March 2011) on account of the enhancement of gratuity limit. The balance amount of Rs.101.93 Crore will be dealt with as per guidelines of Reserve Bank of India.
- The Bank was spreading the creation of Sundry Liabilities (Interest Capitalisation) on account of the past period Funded Interest Term Loan (FITL) amounting to Rs.528.63 Crore over a period of four quarters, with the permission of RBI. Accordingly, Bank had charged Rs.264.32 Crore to the Profit & Loss account in the two quarters, December 2013 and March 2014 and the balance amount of Rs.264.31 Crore has now been debited to Revenue Reserves as permitted by Reserve Bank of India vide their letter DBOD.NO.BP.20791/21.04.132/2013-14 dated 27.06.2014.
- Based on the available data, available financial statements and the declaration from borrowers wherever received, the Bank has estimated the liability of Rs.60 Crore on Unhedged Foreign Currency Exposure to their constituents in terms of RBI Circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated 15th January 2014. The entire estimated amount is fully provided for.
- In terms of RBI Circular DBOD.BP.BC.2/21.06.201/2013-14 dated 01.07.2013 Banks are required to make Pillar 3 disclosures under Basel III Capital Regulations. These details are being made available on our website "www.canarabank.com". These disclosures have not been subjected to a Limited Review by the auditors.
- In accordance with RBI guidelines, the Bank has shifted the Securities from AFS to HTM category amounting to Rs.9235.58 Crore during the quarter and the resultant depreciation of Rs.103.48 Crore has been accounted.
- Pending settlement of wage revision w.e.f 01.12.2012, adhoc provision of Rs.415 Crore is held as on 30.06.2014 which includes Rs.90 Crore provided during the current quarter.
- Provision Coverage Ratio as on 30th June 2014 is 60.10%

11 Number of Investors Complaints received and disposed off during the quarter ended 30.06.2014

- i) Pending at the beginning of the quarter - Nil
- ii) Received during the quarter - 378
- iii) Disposed off during the quarter - 378
- iv) Lying unresolved at the end of the quarter - Nil

12 Figures of the corresponding previous period have been regrouped/restated wherever considered necessary.


P S RAWAT
EXECUTIVE DIRECTOR


V S KRISHNA KUMAR
EXECUTIVE DIRECTOR


ASHOK KUMAR GUPTA
EXECUTIVE DIRECTOR


R K DUBEY
CHAIRMAN & MANAGING DIRECTOR


PLACE : BANGALORE
DATE : 21.07.2014

Limited Review Report
(in respect of Canara Bank)
for the quarter ended June 30, 2014

To
The Board of Directors
Canara Bank
Bangalore

Introduction:

We have reviewed the accompanying statement of unaudited financial results of **CANARA BANK** for the quarter ended June 30, 2014 which has been approved by the Board of Directors; except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. Management of the Bank is responsible for preparation and presentation of this statement of unaudited financial results in accordance with applicable Accounting Standards and other recognized accounting practices and policies and relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, and provisioning. Our responsibility is to express a conclusion on this statement based on our review.

Scope of Review:

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conduct of our review, we have relied upon the review reports in respect of non-performing asset reviewed by the Bank's Inspection teams of 170 branches and the review reports of 2 foreign branches reviewed by the external auditor of those branches, besides carrying out the review of 20 branches by us and the Treasury Operations. These review reports cover 61.98% of the advances portfolio of the Bank (excluding ARM Branches and Food Credit); 66.26% of Non Performing Assets of the Bank. Apart from these review reports, in conduct of our review, we have also relied upon various returns received from the branches of the Bank.



Conclusion:

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results together with the Notes thereon prepared in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of Income Recognition, Asset Classification, Provisioning and other related matters.

Emphasis of Matter:

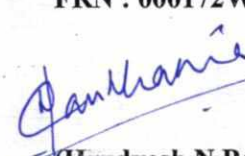
We draw attention to Notes in the unaudited financial results i.e. Note No. 4 regarding amortization of pension and gratuity liability as permitted by the Reserve Bank of India (RBI) vide their circular dated February 9, 2011 and Note No. 5 regarding crediting the Sundry liability (Interest capitalisation) on account of past period FITL directly from the Revenue Reserve as a one-time measure, as permitted by RBI vide their letter dated June 27, 2014.

Our conclusion is not qualified in respect of above matters.

For Loonker & Co.

Chartered Accountants

FRN : 000172W



(Hrudyes N Pankhania)

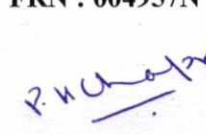
Partner

Membership No.138932

For P. Chopra & Co.

Chartered Accountants

FRN : 004957N



(Pradeep Kumar Chopra)

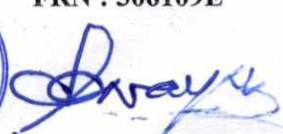
Partner

Membership No.082598

For A.R. Das & Associates

Chartered Accountants

FRN : 306109E



(Syamal Kumar Nayak)

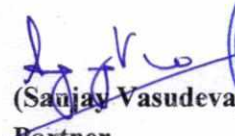
Partner

Membership No.051353

For S. C. Vasudeva & Co.

Chartered Accountants

FRN : 000235N



(Sanjay Vasudeva)

Partner

Membership No.090989

For Vinay Kumar & Co.

Chartered Accountants

FRN : 000719C



(V. K. Agrawal)

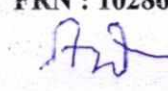
Partner

Membership No. 013795

For Ford Rhodes Parks & Co.

Chartered Accountants

FRN : 102860W



(A. D. Shenoy)

Partner

Membership No.011549

Place: Bangalore

Date: July 21, 2014